

COMMON PROPERTY

MANAGEMENT AGREEMENT

(May 1, 2010 – April 30, 2011)

CONDOMINIUM CORPORATION NO. 032-5368

(Phase 5 – Block “E”)

Gleniffer Lake Resort & Country Club

(A Division of Resort Development Funding Corporation, Spruce View, Alberta)

COMMON PROPERTY
MANAGEMENT AGREEMENT

THIS AGREEMENT made the ___ day of _____, A.D. 2009 and being in effect the 1st day of May, 2010.

BETWEEN:

Condominium Corporation No. 032-5368

a Condominium Corporation duly constituted under the laws of the Province of Alberta
(hereinafter called "the Corporation")

OF THE FIRST PART

AND

Resort Development Funding Corporation

a body corporate duly incorporated under the laws of the Province of Alberta
(hereinafter called "the Manager")

OF THE SECOND PART

WHEREAS the Corporation wishes to delegate its powers to manage and administer the Common Property and all property owned by the Corporation.

AND WHEREAS Condominium Corporation No. 032-5368 encompasses a project commonly known as Block "E" at Gleniffer Lake Resort & Country Club consisting of 107 bare land units and the common property related thereto:

AND WHEREAS the Manager is an owner of Units within the said Condominium Plan.

AND WHEREAS the Manager shall not be required to pay or be liable for any Condominium Fee Assessments.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the sum of One (\$1.00) Dollar now paid each to the other (the receipt of which is hereby acknowledged) and of the covenants contained herein the parties do hereby mutually covenant and agree as follows:

1. The Corporation hereby employs, retains and appoints the Manager as its sole and exclusive agent and representative to manage the property of the Corporation commencing the 1st day of May, 2010 and ending on the 30th day of April, 2011. Further, the Corporation hereby employs, retains and appoints the Manager as its sole and exclusive agent and representative to act in the name of the Corporation and on behalf of the Corporation in carrying out the duties of the Manager as herein set out, and to enter into such contracts, agreements and legal documents in the name of the Corporation as may be necessary in the proper performance of such management duties.
2. The Corporation agrees to pay the Manager such sum as set forth in the Annual Budget for the Corporation for its' management services, exclusive of the cost of performing services as set out in paragraph 4 herein, and the Corporation authorizes the Manager to deduct directly from the monies received by it on behalf of the Corporation any such fees due to the Manager (see Schedule of Fees). The annual management fee payable to the Manager in the amount of

\$63,154.44 (*inclusive of GST*) shall be paid monthly at the rate of \$5,262.87 commencing the 1st day of May, 2010.

3. The Manager shall provide services to the Corporation and will act on behalf of the Corporation as follows:

A. Common Area – Specific (*common property within or associated with the legal boundaries of this Condominium Corporation*)

- i. Mow all common area grass (*weekly*)
- ii. String trim all common area trees, fences, signposts and landscaping features (*bi-weekly*)
- iii. Prune and maintain all common trees and shrubs (*as required and only to the extent of management's equipment and capability*)
- iv. Application of fertilizer and chemical (*as required*)
- v. Maintenance and contract repair of all common sanitary lines (*as required*)
- vi. Maintenance and contract repair of all common water lines (*as required*)
- vii. Maintenance and contract repair of all common electric lines & street lighting as well as payment & collection of all electrical invoicing to all owners (*as required*)
- viii. Street maintenance such as sweeping, cleanup and painting speed bumps, and contract repair of the asphalt surface (*as required*)

Management fee attributed to Common Area – Specific is \$15,226.53 (*inclusive of GST*) or 24.11% of the total Common Property Management Agreement.

Note:

- The above noted services are inclusive of all employee costs including wages, benefits, workers compensation premiums, employment insurance premiums and payroll administration.
- The above noted services are inclusive of all costs associated with providing the required equipment, fuel, repair, buildings, insurance & incidental supplies necessary for operating the equipment as required.
- The cost of supplies, such as fertilizer & chemical are not included; the cost of labour associated with the application of said fertilizer & chemical is included.

B. Common Area – General (*common property within or associated with Gleniffer Lake Resort & Country Club for which the cost of maintaining is considered to be a shared expense of all Condominium Corporations within the development*)

- i. Mow all common area grass (*weekly*)
- ii. String trim all common area trees, fences, signposts and landscaping features (*bi-weekly*)
- iii. Prune and maintain all common trees and shrubs (*as required and only to the extent of management's equipment and capability*)
- iv. Application of fertilizer and chemical on shared common areas (*as required*)
- v. Maintenance and contract repair of all common shared sanitary lines (*as required*)
- vi. Maintenance and contract repair of all common shared water lines (*as required*)
- vii. Maintenance and contract repair of all shared common electric lines & shared street lighting as well as payment & collection of all shared electrical invoicing to all owners (*as required*)
- viii. Lease land maintenance (*as required*)
- ix. Shared street maintenance such as sweeping, cleanup and painting speed bumps, & contract repair of the asphalt surface (*as required*)
- x. Shared visitor parking maintenance (*as required*)

- xi. Shared refuse disposal & location (*as required*)
- xii. Shared compost disposal & location (*as required*)
- xiii. Shared recreation facility maintenance & contract repair (*as required*)
- xiv. Shared beach maintenance (*as required*)
- xv. Shared boat launch maintenance & contract repair (*as required*)

Management fee attributed to Common Area – General is \$17,260.11 (*inclusive of GST*) or 27.33% of the total Common Property Management Agreement.

Note:

- The above noted services are inclusive of all employee costs including wages, benefits, workers compensation premiums, employment insurance premiums and payroll administration.
- The above noted services are inclusive of all costs associated with providing the required equipment, fuel, repair, buildings, insurance & incidental supplies necessary for operating equipment as required.
- The cost of supplies, such as fertilizer & chemical are not included; the cost of labour associated with the application of said fertilizer & chemical is included.

C. Administration & Management (*is inclusive of the administration of the specific business affairs of the Corporation, as well as the administration of the business affairs of all other Corporations within the Gleniffer Lake Resort & Country Club development, the expenses of which are considered to be shared*).

- i. Accounting services
- ii. Budget preparation
- iii. Accounts payable
- iv. Corporation correspondence
- v. Mail processing
- vi. Data processing
- vii. Owner registry maintenance
- viii. Resale & conveyancing services
- ix. Annual General Meeting & Board meeting services
- x. Provision for office space & equipment
- xi. Provision for shared cost of manager residence (*utilities & property taxes*)
- xii. Provision for shared cost of maintenance shop & yard (*utilities & property taxes*)
- xiii. Manager vehicle allowance
- xiv. Security
- xv. Computer hardware & software
- xvi. Legal documentation maintenance
- xvii. Corporate Registry & Minute Book maintenance
- xviii. Authorized signatory for all year end statements

Management fee attributed to Administration & Management is \$30,667.80 (*inclusive of GST*) or 48.56% of the total Common Property Management Agreement.

- 4. As part of fulfilling Administration & Management duties for and on behalf of the Corporation as set out in Clause 3. above, the Manager shall:
 - (a) Receive, and, as necessary, receipt all monthly assessments and other charges due to the Corporation by/from each Unit Owner and send out reminder notices to delinquent Unit Owners at appropriate intervals. The Manager will perform all collection activities as required, including instructing the Corporation's solicitors to serve demand letters, commence legal actions, file caveats, etc. It is understood by all parties that collection

action will be commenced immediately upon monthly assessments or other charges becoming delinquent and that stronger collection action (*which may or may not include commencement of legal action*) will be commenced by the Manager in the event that monthly assessments or other charges progress to being sixty (60) days delinquent. The Corporation shall not be responsible for dealing with delinquent Unit Owners, performing collection activities, instructing solicitors, commencing legal proceedings, or performing any collection activities whatsoever;

- (b) Keep accurate accounts of the financial transactions involved in the management of the property and render to the Board of the Corporation (herein called “the Board”) semi-annual statements of income and expenditures with respect thereto and keep such accounts open for inspection by the Board at all reasonable times;
- (c) Prepare and submit to the Board on or before the 1st day of April of each year a recommended budget for the next fiscal year showing the anticipated receipts and estimated expenses that will be incurred or required in such fiscal year;
- (d) Deposit all monies received by the Manager in a designated account maintained by the Manager on behalf of the Corporation and from those monies:
 - (i) pay all payments on all accounts properly incurred by or on behalf of the Corporation;
 - (ii) secure insurance policies as required in the By-laws of the Corporation and pay all invoices relating to said insurance policies, on behalf of the Corporation;
 - (iii) pay all costs incurred with respect to the upkeep, maintenance and repair of the Common Property, including purchase of tools and supplies, where such upkeep, maintenance and repair is the responsibility of the Corporation pursuant to the terms of the Condominium Property Act or the By-laws of the Corporation;
- (e) From the monies received from the Unit Owners, keep up, repair and maintain or cause to be kept up, repaired and maintained, those parts of the Common Property which require upkeep, repair and maintenance by the Corporation in accordance with the provisions of the Condominium Property Act, and the By-laws of the Corporation. Such upkeep, repair and maintenance shall be performed in accordance with standards consistent with the character of the Project, and shall include, without limited the generality of the foregoing, cleaning, painting, decorating, landscaping, ice and snow removal, garbage collection and such other annual maintenance and repair work as may be necessary;
- (f) Arrange for and supervise such contractors, staff and other personnel and arrange for the lease or purchase of vehicles and other equipment as may be reasonably necessary for all upkeep, repair and maintenance of the common property which requires upkeep, repair and maintenance by the Corporation in accordance with the provisions of the Condominium Property Act and the By-laws of the Corporation, provided that the Corporations’ funds are available to the Manager to pay such contractors, staff and other personnel;
- (g) Arrange for and supervise such third party security personnel as approved by the Corporation, for the security of the Resort;
- (h) Obtain approval from the Board prior to spending an amount exceeding Two Thousand (\$2,000.00) Dollars for non-budgeted items (*except in cases of emergency*) and coordinate the disposition of requests for service concerning or relating to the duties and obligations of the Manager as provided by this Agreement, in all cases referring to the Board such requests as involve policy decisions or the interpretation of the Condominium Property Act or the By-laws of the Corporation;

- (i) When requested, serve notices to Board members and general notice to all Unit Owners for an additional fee as set out in paragraph 4 hereof;
 - (j) Attend two (2) Board meetings during the calendar year on request of the Board, if given notice at least seven (7) days prior to the meeting. The Board shall deliver to the Manager within fourteen (14) days of a Board meeting, written Minutes of all Board meetings;
 - (k) Use reasonable diligence to ensure that the contracts and agreements between the Corporation and suppliers and servicemen are performed in accordance with their terms and intent and to inform the Board in the event performance is considered by the Manager to be inadequate or contrary to the agreed terms and intent of the same;
 - (l) Make recommendations to the Corporation from time to time regarding the maintenance of common areas and elements;
 - (m) Advise and consult with the Board with respect to any proposed new By-laws, proposed By-law amendments, rules and/or regulations which in the opinion of the Manager ought to be established to further harmonious and satisfactory operation of the Property for the common benefit of the Unit Owners;
 - (n) Assist the Board in its efforts to enforce the terms of the By-laws and rules and regulations of the Corporation and any amendments thereto;
 - (o) Carry on and conduct itself in a manner that complies with federal, provincial or municipal or other competent authority for the time being in force.
5. All parties to this Agreement, understand and agree that in addition to the services to be provided in Clauses 3 and 4 of this Agreement, the Manager will provide certain additional services for additional fees, as shown on the following Schedule.

Schedule of Additional Services and Fees

Item 1 Collection of Arrears

- For the filing and discharge of a Caveat:	\$ 50.00 plus costs
- For the processing of a Small Claims Court action:	\$ 200.00 plus costs
- For major court action:	\$1,000.00 plus costs

Item 2 Serving and Processing of Notices

- Preparation of notice:	\$ 0.50 per sheet
- Mailing per notice:	\$ 0.50 plus postage
- Double registration mailing:	\$ 1.00 per notice plus postage

Item 3 Capital Improvements and Restoration of a Major Building Loss

- A fee of 10% of costs of work for supervision, with approval of the Board

Item 4 Certificates, etc. under Condominium Property Act

- Estoppel Certificates (s.39 (6))	\$ 95.00
- Insurance Certificate (s.48)	included in estoppel
- Copies of By-laws:	included in estoppel

- Reserve Fund Study \$ 50.00

Item 5 Special Services requested by the Board

- at a rate of \$50.00 per man/hour for supervisory personnel and \$20.00 per hour for all other personnel.

All fees are payable at the time that services are rendered. In addition, all disbursements of the Manager must be paid with respect to the above items, immediately upon receipt of invoice.

6. The duties of the Manager shall not include the duties of the officers of the Corporation set forth in the By-laws of the Corporation, or pursuant to the terms of the Condominium Property Act, except as specifically otherwise provided in this Agreement.
7. The Manager may engage any parent or subsidiary corporation or any person, firm or corporation, associated, affiliated or otherwise connected with it (hereinafter referred to as "the Affiliate") to perform any work or services for the Corporation, within the scope of the Manager's duties under the provisions of this Agreement, without being in breach of any fiduciary relationship with the Corporation.
8. The Corporation shall:
 - (a) Except in the case of gross negligence on the part of the Manager, its servants or agents, indemnify and save harmless the Manager from any and all liability and from all claims and demands arising out of damage or injuries to persons or property in or about or in any way connected with the property and defend at the expense of the Corporation all suits which may be rendered against the Manager on account thereof, provided that nothing contained in this subparagraph shall release the Manager from any liability to the Corporation in respect of a breach of any Manager's covenants herein contained;
 - (b) Deliver to the Manager copies of the By-laws and rules and regulations made by the Corporation or the Unit Owners from time to time.
9. Except in cases of default, this Agreement shall not be terminable by either party during the term. This Agreement may be terminated on Ten (10) days written notice to the Manager if:
 - (a) The Manager is in default of performance of any of the terms hereunder, which default is not rectified within the said 10 days. However, if the default is of a nature that cannot be remedied within the said 10 days, and the Manager is diligently and in good faith taking steps to remedy the said default, the Manager shall have a reasonable amount of time to remedy the said default, failing which the Agreement may be terminated.
 - (b) During the term, the Manager shall make an assignment for the benefit of creditors or become bankrupt or insolvent or take the benefit of any legislation in force for bankrupt or insolvent debtors.

10. Renewal or Discontinuation of Management Agreement at Term

The term of this Common Property Management Agreement shall be from the 1st day of May, 2010 to the 30th day of April, 2011.

The Manager shall:

- (a) On or before the 1st day of August, 2010 provide written notice to the Corporation of its intention and desire to either renew or discontinue management services and the Common Property Management Agreement at the end of the current term.

- (b) In the event that Management is desirous of renewing management services for a further one (1) year term, Management will provide, along with "written notice" as noted in (a) above, Management's terms of renewal in the form of a new Common Property Management Agreement, in executable form.

The Corporation shall:

- (a) On or before the 1st day of September, 2010 provide written notice to the Manager of its intention and desire to either renew or discontinue management services and the Common Property Management Agreement at the end of the current term.
- (b) In the event that the Corporation is desirous of renewing management services and the Common Property Management Agreement for a further one (1) year term, the Corporation will deliver to the Manager a duly executed original copy of the new Common Property Management Agreement, as presented by Management.

11. All notices required or permitted hereunder shall be sufficiently given:

- (a) To the Corporation, if signed by or on behalf of the parties so giving notice hereunder and delivered or mailed by prepaid post to the Corporation at P.O. Box 1559, Spruce View, Alberta T0M 1V0 or at such other address as the Corporation may from time to time designate by written notice pursuant hereto;
- (b) To the Manager, if signed by or on behalf of the parties so giving notice hereunder, and delivered or mailed by prepaid registered post to the Manager at P.O. Box 81, Spruce View, Alberta, T0M 1V0 or at such address as the Manager may from time to time designate by written notice pursuant hereto.

All such notices shall be deemed to have been received on the third business day next following the date of such mailing.

IN WITNESS WHEREOF the parties hereto have hereunto affixed their corporate seals as attested by the hands of their proper officers duly authorized in that behalf.

Condominium Corporation No. 032-5368

Per: _____

Per: _____

Resort Development Funding Corporation

Per: _____